



## Pre-Tender Market Engagement

### Evaluation of the Towns Fund CPD4122055

**Authority:** Ministry for Housing, Communities and Local Government (MHCLG)  
("the Authority").

**Date Response required:** 17:00 hours on Friday 16 July 2021

## 1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (from herein referred to as a "**Potential Supplier**") to undertake the process and impact evaluation of the Towns Fund. The purpose of this PTME is to:
  - 1.1.1 help define the requirement;
  - 1.1.2 help provide a better understanding of the feasibility of the requirement;
  - 1.1.3 understand the best approach;
  - 1.1.4 understand the capacity of the market to deliver and possible risks involved; and
  - 1.1.5 provide the market with an opportunity to ask questions, raise queries and any issues to be addressed at an early stage.
- 1.2 The Authority shall maintain commercial confidentiality of information received during the PTME.

## 2 INTRODUCTION

- 2.1 The £3.6bn Towns Fund, consisting of Town Deals and Future High Street Fund competition was launched in March 2019 and October 2018 respectively. It is a high priority for government in the context of levelling up agenda and Covid-19 recovery response.
- 2.2 The Fund's Monitoring and Evaluation Strategy will be published in Summer 2021. This outlines the need to establish whether or not overall objectives of the Fund have been met and the scale at which change has occurred as a direct response to the Fund's interventions.
- 2.3 The Towns Fund represents multi-billion pound, geographically-targeted, spending; at a spatial level rarely utilised by UK governments before. The Fund provides a rare opportunity to learn about what works; and what doesn't; for driving local economic growth, improving experience and ensuring sustainability at town and high street levels.
- 2.4 Evidence suggests that struggling places face persistent challenges that make it difficult for them to change, including:
  - Disconnection – transport and digital connectivity infrastructure are out of date, insufficient or not suited to local needs.

- Land use and buildings are not suited to modern demands – specific physical assets require rehabilitation/remediation; many places are not designed for mixed use, leading to vacant properties, unused spaces and low density/isolated housing; properties are often unsuited to the post-industrial economy.
  - Low skills and business support – residents do not consistently have the relevant skills and knowledge required for higher-skilled, higher-paying roles – this can sometimes be explained by the decline of particular industries in places (particularly relevant for post-industrial places); also, potential entrepreneurs do not have the relevant resources or support to start businesses locally, restricting the number and quality of jobs available.
  - Limited strategic, local economic management – some local authorities have lacked the specific funding and capacity to develop and implement economic development plans in response to the long-term economic challenges in their local areas.
- 2.5 The Towns Fund promotes a range of different interventions to address these problems.
- 2.6 The Town Deals interventions are focused specifically on urban regeneration, planning and land use, skills and enterprise infrastructure, transport and digital connectivity. In September 2019, 101 towns in England were selected to develop “Town Deals” and bid for up to £25 million (or up to £50 million in exceptional circumstances). Press releases listing the 86 towns deals announced to date can be found on [gov.uk](https://www.gov.uk).
- 2.7 The Future High Streets Fund interventions are focused on urban regeneration, planning and land use and transport. On 26th December 2020, the Communities Secretary announced that 72 places had been successful in their applications for funding. Press releases listing the awards can be found on [gov.uk](https://www.gov.uk).

### 3 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

- 3.1 MHCLG has already undertaken feasibility work on monitoring and evaluation and is due to publish its strategy shortly. We are looking for Potential Suppliers to deliver a good quality evaluation programme which will provide evidence of the real-world efficacy, efficiency and cost effectiveness of the Towns Fund. Potential Suppliers would undertake the delivery of the process evaluation, impact evaluation and VfM evaluation. Interim and final reports would be expected. **The aims and key questions for the process, impact and value for money evaluations are:**

#### Process Evaluation

##### **Aim**

The process evaluation aims to understand:

- How the two different application and funding processes have worked, learning lessons for MHCLG/BEIS for future local growth funding programmes;
- How the different types of projects were delivered by different areas, sharing lessons and best practice across projects and areas to enable changes to be implemented through the lifecycle of projects, and learning lessons for building the most efficient and effective processes into future local growth projects.

### **Key Question Topics:**

- How did places engage stakeholders in project/business case development?
- Lessons learnt from the two programme models
- Lessons learnt from MHCLG's activities
- Places' capacity
- FHSF only: How well was the competition run?

### **Impact Evaluation and Supporting Research**

#### **Aim**

The impact evaluation and supporting research will estimate the extent to which chosen economic, social and environmental outcomes have changed as a result of the intervention and will test the hypotheses set out in the Theory of Change. This will be undertaken both for the fund as a whole and for specific types of interventions (e.g. urban regeneration) in a particular place.

#### **Key Questions:**

#### **Impact Evaluation**

- 1) Assessing effects of Towns Fund investment on key outcomes – such as, but not limited to:
  - a. Employment
  - b. Land values
  - c. Resident incomes
  - d. Business turnover and profits
  - e. Investment
  - f. Well-being and perception of place
- 2) Assessing effects of different investment themes (e.g. transport) on key outcomes.
- 3) Assessing whether effects are different for different groups (e.g. different types of places, different capital investment)

#### **Supporting Research**

- 1) How has the Towns Fund addressed the problems identified in the framework?
- 2) What are the factors in the success of a place? Why are some places more successful than others?
- 3) What types of intervention make the most difference to a place?

- 4) What is good local decision-making? Where and at what level does it work best?  
Does local decision-making result in better outcomes?
- 5) What lessons about the funds and interventions can be used to inform the Levelling Up agenda?

The evaluation and learning questions can be grouped into: the overall impact of the fund(s); and the specific impacts of different intervention types – and how these differ in different types of places.

### **Value for Money Evaluation**

#### **Aim**

The Value for Money evaluation will use Green Book principles to assess whether the scale of the programmes' impacts, relative to their economic costs, represents good value for taxpayer's money. This will indicate whether the Towns Fund's inputs were economic (least cost for relevant level of quality/success), efficient (the value of outputs or outcomes in relation to the total cost of inputs), and effective (outcomes achieved in relation to total cost of inputs).

#### **Key Questions:**

- 1) Was the Towns Fund value for money?
- 2) How successful was the Towns Fund in addressing:
  - a. Economy
  - b. Efficiency
  - c. Effectiveness
  - d. Equity.
- 3.2 Potential Suppliers will have access to the regular monitoring information provided by places and be expected to undertake in-depth interviews with project leads in a sample of projects, as well as in-depth case studies in a sample of places.
- 3.3 MHCLG would also be keen to explore how [social value](#) could be delivered as part of this contract. Relevant departmental priorities include:

#### **Theme 1: COVID-19 Recovery**

MHCLG will help local communities to manage and recover from the impact of COVID-19.

#### **Theme 2: Tackling economic inequality**

MHCLG will support local economies across the country to boost productivity and deliver inclusive growth for all our communities.

## 4 OUTPUTS/DELIVERABLES

### 4.1 Key outputs will include, but not necessarily be limited to:

- Baseline surveys
- Interim reports for both the process and impact evaluations
- A final post-programme report of the findings from the process, impact and value for money evaluations
- A social survey
- **In-depth Case Studies:** Case studies will look to determine the impact at a place-based level for a select number of places and will utilise quantitative and qualitative data to better understand the processes, causal links and impacts of particular interventions.
- **Contribution Analysis:** A contribution analysis will look to assess the causal questions associated with the Towns Fund, reducing the uncertainty around the Fund's contribution to observed changes.

### 4.2 MHCLG will facilitate access to local authority teams working on Town Deals. The key deliverable will be the reports for the process and impact evaluations.

## 5 KEY DATES & TENDERING PROCESS

### 5.1 If it is decided this service is required, it is anticipated that a procurement may start July 2021 with the contract to commence September 2021. These indicative dates are for information purposes only. MHCLG reserve the right to amend these dates at any time, and Potential Suppliers rely on them entirely at their own risk.

### 5.2 The Authority intends that this requirement will be procured using the Crown Commercial Service (CCS) Dynamic Purchasing System (DPS) - RM6018 Research Market Place. Suppliers are able to apply to join the DPS at any time. During application to join the DPS, suppliers indicate which services they may be able to provide under the DPS. Please note that new suppliers are able to register with the DPS via the following link and that this process can take around 2 weeks:

<https://supplierregistration.cabinetoffice.gov.uk/dps#research>

If you have any questions about the DPS and would like to contact a member of the CCS team please use the links provided on the website above.

### 5.3 The Authority reserves the right to amend the intended route to market if the outputs of this PTME indicate this not to be a suitable route.

### 5.4 The contract is expected to last for a period of five years.

### 5.5 There will be quarterly progress check meetings.

- 5.6 Potential Suppliers would be expected to produce an interim process evaluation report in Q2/3 in 2022/23 and an interim impact evaluation report in Q2/3 in 23/24. A final report of the process, impact and value for money evaluation would be expected post-programme (25/26).

Milestone	Description	Timeframe
1	Tenders finalised and send out via Crown Commercial Service Frameworks	6-8 weeks, from late July
2	Appointment of supplier/s	September
3	Mobilisation of supplier team	Maximum one month, from mid-October
4	Supplier starts	Mid-November
5	Initial meetings between supplier and places	Mid-November to early February
6	Produce Interim Process Evaluation Report	Q2/3 2022/23
7	Produce Interim Impact Evaluation Report	Q2/3 2023/24
7	Post programme report	2026

## 6 RESPONSE

6.1 Please respond by email to [towns.fund@communities.gov.uk](mailto:towns.fund@communities.gov.uk) with the following by 17:00 hours on Friday 16 July 2021 (the “Response Deadline”).

- Q1 Would you be interested in bidding for this project? Are you a supplier under the CCS RM6018 Research Marketplace DPS Framework. If not, would you be willing to join the DPS?
- Q2 Is this project deliverable in the timeframe proposed?
- Q3 Is what the Authority asking for clear?
- Q4 What, if anything, has the Authority missed or overlooked in setting out their requirement?
- Q5 Is there anything here which is irrelevant, outdated or unnecessary?
- Q6 What would the indicative cost be for this piece of work?
- Q7 Assuming a September appointment, could you mobilise a team to start work in mid-October? If not, when would be the earliest mobilisation date?
- Q8 Are the proposed Social Value Themes, Policy Outcomes and Criteria appropriate for this requirement? Please elaborate on your reasons why and/or suggest alternatives that could be applied and why these alternatives would be more relevant?

## 7 QUESTIONS AND CLARIFICATIONS

- 7.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to [towns.fund@communities.gov.uk](mailto:towns.fund@communities.gov.uk) only.
- 7.2 To ensure that all Potential Suppliers have equal access to information regarding this PTME exercise, responses to questions raised by Potential Suppliers will be published in a “Questions and Answers” document, which will also be circulated by email, with updates appearing at regular intervals (approximately two to three working days).
- 7.3 Responses to questions will not identify the originator of the question.
- 7.4 If a Potential Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Potential Supplier must state this in their email and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Potential Supplier will be invited to decide whether:
  - 7.4.1 the question/clarification and the response should in fact be published; or
  - 7.4.2 it wishes to withdraw the question/clarification.

## 8 GENERAL CONDITIONS

- 8.1 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering requirements. It will also aid Potential Supplier's understanding of the requirements in advance of any formal competitive tender exercise.
- 8.2 The Authority reserves the right to change any information contained within this PTME at any time, and Potential Suppliers rely upon it entirely at their own risk.
- 8.3 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.
- 8.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.
- 8.5 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.
- 8.6 The Authority expects that all responses to this PTME will be provided by Potential Suppliers in good faith to the best of their ability in the light of information available at the time of their response.
- 8.7 No information provided by a Potential Supplier in response to this PTME will be carried forward, used or acknowledged in any way for the purpose of evaluating the Potential Supplier, in any subsequent formal procurement process.